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LIMITED LIABILITY PARTNERSHIP

601 THIRTEENTH STREET, N.W.

SUITE 600 SOUTH

WASHINGTON, D.C. 20005-3807

TELEPHONE: (1-202) 626-3600

FACSIMILE: (1-202) 639-9355

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PUBLIC VERSION

November 13, 2001

VIA CERTIFIED MAIL FIRST CLASS

Trade Policy Staff Committee
Gloria Blue
Executive Secretary, TPSC
Office of the USTR
600 17th Street, N.W.
Washington, D.C. 20508

Re: Steel, Section 203: Request for Exclusion of Floor Plate (HTSUS 7208.40.30) From Any
Import Relief Imposed on Steel Plate (Including Cut-to-Length Plate)

Dear Ms. Blue and Members of the TPSC:

On behalf of Dufeco Clabecq, S.A. and Duferco Steel, Inc. (collectively "Duferco"), we hereby request the exclusion of floor plate from any increased duty, tariff-rate quota, or quantitative restriction that the President may impose in the above-referenced investigation. Notwithstanding its distinctly irregular and hillocky cross-section, floor plate has been grouped with flat-rolled products (specifically cut-to-length plate) in this investigation.

I. Product Designation

The product in issue is known as floor plate. It is made by Duferco Clabecq in Belgium and imported by Duferco Steel, Inc. of New Jersey. It is made in accordance with the ASTM

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specifications for floor plate, which are set forth in ASTM Designation A 786. In cases where a specific chemistry is specified, the floor plate is produced either to ASTM A 36 (structural carbon steel) or ASTM A 572 Grade 50 (high strength low alloy). Floor plate is classifiable under HTSUS 7208.40.30 as uncoiled flat-rolled products of non-alloy steel of a width of 600 mm or more with patterns in relief.

II. Distinguishing Characteristics

The presence of raised figures (e.g., tears) on the top surface differentiate floor plate from flat rolled products and other steel products subject to the section 203 investigation. As stated in ASTM Designation A 786: "Rolled floor plates have raised figures at regular intervals on one surface of the plate." The raised figures are imparted during the rolling process. Specifically, during hot-rolling, the material passes between rollers, one of which has a pattern cut into it so that one surface of the plate is forced into the depression on the pattern.¹

Through this rolling process, raised figures protrude from the surface of the material. The floor plate imported by Duferco Steel is referred to as "Tear Plate (2)." The raised tears ascend

¹ The production process is described in The Making, Shaping and Treating of Steel:

Floor plates are hot-finished in the final pass or passes between one or more pairs of rolls. One roll of each pair has a pattern cut into it so that one surface of the plate passing between the rolls is forced into the depressions on the pattern roll to form a raised figure at regular intervals on the surface of the plate. Individual floor plate patterns are produced exclusively by each manufacturer, the patterns differing in both dimensions and appearance.

United States Steel, The Making, Shaping and Treating of Steel, 10th edition, p. 861 (1985).

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gradually and impart a cross-section that is irregular, hilocky and, in any event, distinctly non-rectangular.²

The raised tears result in a textured surface that makes floor plate uniquely suitable for applications requiring a high level of traction (i.e., flooring). Duferco's floor plate is used in only limited applications in the United States. The specific end uses include

[*****

*****] and selected other high traction applications.

Within this specialty market, Duferco Clabecq produces size combinations that, as far as Duferco knows, are not made by other mills that make floor plate. Specifically, most of the floor plate made by Duferco Clabecq is [*****], which makes them unique among the small group of floor plate producers worldwide. This gives Duferco a specialty position in the U.S. market that enables it to receive high prices for its product, which generally [*****].

III. Basis for Exclusion Request

Imposition of section 203 relief on floor plate imports will not serve or protect any U.S. interests and would only have a detrimental impact on U.S. users.

² The cross section refers to the thickness profile of any section cut transversely at right angles at any point along the length of the material. See Trans-Atlantic Co. v. United States, 70 Cust. Ct. 243, Cust. Dec. 4459 (1973).

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As indicated above, the patterns in relief on floor plate render it suitable only in flooring applications. Further, the extra costs associated with its production enable producers to command prices well in excess of those for commodity plate grades. Consequently, floor plate does not compete with commodity grades of plate.

Floor plate is produced in miniscule quantities in the United States. The lack of interest in floor plate among U.S. mills is due to the extremely small U.S. market for the product. Total U.S. imports from all sources totaled only \$10.3 million in 2000, more than half of which came from a single country, Belgium, which has been subject to combined U.S. antidumping and countervailing duties on carbon CTL plate of more than 14 percent *ad valorem* since 1993. The vast majority of other countries who produce any appreciable floor plate quantities are also subject to unfair trade practice duties or restraints courtesy of commodity grade CTL plates with which floor plate has been unthoughtfully and automatically linked due to its unfortunate placement among flat-rolled steel categories in the HTSUS. Any interest among U.S. mills to partake in the limited floor plate market would have certainly manifested itself by now. But Duferco, which commenced floor plate operations in 1998, has not encountered any U.S.-produced floor plate in the market. What negligible production there might be in the United States would have to be in standard sizes and thus in a different segment than the specialty sizes produced by Duferco.

In short, U.S. production interests stand to gain nothing from any additional duties or restrictions aimed at imported floor plate. The only impact would be to hurt U.S. consuming industries that would have to suffer increased prices, diminished supply or both.

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IV. Other producers

As indicated in the attached import statistics, floor plate is exported to the United States in modest quantities from a handful of countries. Because this is a specialty product with limited production, the identity of the producers is not generally available from public sources. Focusing on unique sizes, Duferco does not have ready access to the names of producers involved in other segments of the sub-market. In a 1997 U.S. Department of Commerce notice concerning a 1993 antidumping order on carbon CTL plate from Canada (revoked in 2000), Algoma was listed as a Canadian producer of floor plate. See 62 Fed. Reg. 18448, 18453 (April 15, 1997). Duferco does not have access to the names of any U.S. producers of floor plate.

V. U.S. production, consumption, demand and lack of substitute products

As discussed above, U.S. production is negligible at best. Consequently, total U.S. consumption approximates the total imports. See attached import data for years 1996 to 2001 (through August). Due to uncertainties in the U.S. economy, Duferco estimates that the U.S. market will remain in the current range of 24,000 to 25,000 metric tons through the end of 2002 and then increase modestly (five percent or less per year) through 2005.

Duferco is not aware of any products that could substitute for floor plate.

Sincerely,



Walter Spak
Vincent Bowen
Counsel for Duferco Clabecq, S.A. and
Duferco Steel, Inc.

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REQUEST FOR CONFIDENTIAL TREATMENT AND CERTIFICATION

Duferco Clabecq, S.A. and Duferco Steel, Inc. hereby request confidential treatment for the information contained in the Table attachment. This information concerns sensitive business information of Duferco Clabecq, S.A. and Duferco Steel, Inc. I hereby certify that this information is not available from public sources. Public disclosure of this information could cause economic harm to Duferco because it could be used by both its customers and its competitors to Duferco's economic and competitive detriment.

I also hereby certify that I have read this document in its entirety and have no reason to believe that the submission contains any material misrepresentation or omission of fact.



Vincent Bowen
Counsel for Duferco Clabecq, S.A. and Duferco Steel, Inc.

District of Columbia: SS

Subscribed and sworn to before me this 13th day of November, 2001.



Notary Public
My commission expires: _____

Cynthia W. Coleman
Notary Public, District of Columbia
My Commission Expires 08-31-2006

Dated: November 13, 2001

HOT ROLLED FLOOR PLATES: Quantity In Metric Tons
For ALL Countries
HTS US 7208.40.30
U.S. Imports For Consumption

Annual + Year-To-Date Data from Jan - Aug

Country	1996	1997	1998	1999	2000	2000 YTD	2001 YTD	Percent Change YTD2000 - YTD2001
	<i>IN METRIC TONS</i>							
Belgium	1,555	5	6,738	6,371	11,167	5,891	7,665	30.10%
Russia	29	0	0	0	3,446	3,106	0	-100.00%
Korea	0	0	1,774	0	2,551	2,551	0	-100.00%
Hungary	409	1,616	2,555	2,322	2,417	1,805	1,647	-8.70%
France	1,774	727	5,660	3,346	1,694	1,205	451	-62.50%
Canada	1,837	1,093	2,242	424	1,661	1,217	1,564	28.60%
China	2,541	0	0	0	1,431	0	8	N/A
Germany	98	307	307	34	225	14	61	338.80%
Slovakia	35	0	138	30	222	93	75	-19.80%
Mexico	421	71	8,318	0	89	5	71	1255.70%
Brazil	0	0	0	110	11	11	0	-100.00%
Australia	0	0	0	0	0	0	5,940	N/A
United Kingdom	4	0	6,660	367	0	0	0	N/A
Ukraine	5,947	0	271	0	0	0	0	N/A
Turkey	0	0	100	0	0	0	501	N/A
Thailand	0	0	1,100	0	0	0	0	N/A
South Africa	2,341	0	0	0	0	0	0	N/A
Poland	0	128	0	0	0	0	0	N/A
Norway	0	0	0	490	0	0	0	N/A
New Zealand	0	0	0	36	0	0	13	N/A
Japan	367	0	2,265	109	0	0	0	N/A
Austria	273	0	0	0	0	0	0	N/A
India	0	3,063	0	0	0	0	0	N/A
Indonesia	60	0	8,242	0	0	0	0	N/A
Italy	0	266	3,974	11	0	0	0	N/A
Czech Republic	1,927	1,063	0	0	0	0	0	N/A
Finland	406	0	334	0	0	0	0	N/A
Subtotal kilograms	20,025	8,340	50,678	13,649	24,914	15,898	17,995	13.2

HOT ROLLED FLOOR PLATES: Landed Duty-Paid Value In \$US 1,000
For ALL Countries
HTS US 7208.40.30
U.S. Imports For Consumption

Annual + Year-To-Date Data from Jan - Aug

Country	1996	1997	1998	1999	2000	2000 YTD	2001 YTD	Percent Change YTD2000 - YTD2001
	<i>In \$US 1,000</i>							
Belgium	667	7	3,723	2,967	5,263	2,782	3,456	24.20%
Russia	14	0	0	0	1,019	915	0	-100.00%
Korea	0	0	722	0	763	763	0	-100.00%
Hungary	142	637	959	674	834	619	489	-21.10%
France	1,764	372	3,315	1,801	798	584	196	-66.40%
Canada	850	558	1,616	235	889	673	652	-3.10%
China	1,210	0	0	0	538	0	3	N/A
Germany	57	137	290	30	119	19	55	186.20%
Slovakia	15	0	58	15	83	34	23	-32.00%
Mexico	162	38	2,858	0	33	3	41	1164.30%
Brazil	0	0	0	45	5	5	0	-100.00%
Australia	0	0	0	0	0	0	1,823	N/A
United Kingdom	15	0	7,589	117	0	0	0	N/A
Ukraine	2,048	0	79	0	0	0	0	N/A
Turkey	0	0	38	0	0	0	131	N/A
Thailand	0	0	376	0	0	0	0	N/A
South Africa	1,008	0	0	0	0	0	0	N/A
Poland	0	51	0	0	0	0	0	N/A
Norway	0	0	0	401	0	0	0	N/A
New Zealand	0	0	0	16	0	0	6	N/A
Japan	183	0	901	59	0	0	0	N/A
Austria	138	0	0	0	0	0	0	N/A
India	0	1,194	0	0	0	0	0	N/A
Indonesia	22	0	3,026	0	0	0	0	N/A
Italy	0	117	1,658	61	0	0	0	N/A
Czech Republic	870	440	0	0	0	0	0	N/A
Finland	292	0	130	0	0	0	0	N/A
Total	9,455	3,550	27,338	6,419	10,346	6,398	6,876	7.5